

### Royal Yacht, 15 January 2019

#### Introduction

1. The Minister for External Relations introduced the session, conducted under Chatham House rules to ensure a frank and forthright discussion. Neil Watt Principal Officer External Relations provided a broad summary of the Brexit programme and the workstreams involved, particularly concerning contingency planning. Greg Morel, Acting Director, Growth, Housing and Environment (GHE), then provided detail regarding the work of the Agriculture and Fisheries (A&F) workstream.
2. Greg discussed key GHE objectives relating to Brexit, namely: ensuring access to key goods markets; conducting close discussions with the UK Government in order to achieve this, with a particular focus on successfully implementing the new customs arrangement between the UK and CDs; introducing necessary legislation and concluding bilateral agreements, particularly with the key French aquaculture market; and finally deepening engagement with relevant A&F industry groups both in advance of Brexit and over the longer term.
3. This was followed by further discussion across industry representatives as summarised below.

#### Discussion – Markets and potential impact of D1ND

4. Significant concerns were raised over the potential for disruptions to transport of goods between Jersey and Portsmouth. Recent engagement with the Port Authority at Portsmouth, and its recognition of the importance of its port for the Channel Islands, were noted. Further engagement around alternative routes showed efforts to consider contingencies. Reassurance was provided regarding tariffs, and it was made clear these would not apply on Jersey-UK trade under the terms of the newly agreed customs arrangement.
5. Discussions continued regarding potential impact of increased sailings into and out of Portsmouth and Poole, and associated risk of congestion, and the need to ensure segregated access for Channel Islands freight to try to mitigate this. It was noted there was existing capacity at Portsmouth to absorb any increased freight volume as a result of Brexit, but that there still risked some disruption under a D1ND scenario. Further meetings with key operators were suggested in order to ensure a unified approach to prioritising types of goods under such a scenario. The group also discussed the likelihood, in the event of D1ND, of reductions in choice for some fresh produce.

6. The need to start increasing imports in the weeks ahead, in advance of a D1ND on 29 March, given the ongoing lack of political clarity regarding the Brexit outcome in the UK was raised. This is particularly relevant for livestock and the dairy industry, where disruptions to imports of animal feed could have major impacts especially on levels of milk production. Capacity to deal with such a surge in imports was discussed and not considered a major concern, as there was potential to increase use of LoLo and spare RoRo capacity, and surges of this kind are not unusual for Jersey, including in the lead up to Christmas.
7. Government of Jersey representatives confirmed that work was currently being undertaken to ensure provision was made for vulnerable individuals on the island, with a view to drawing up a programme to support those unable to afford to take precautions ahead of any impact on the availability and price of food essential for health.
8. The issue of fuel, particularly gas supply and potential disruptions was also discussed. It was highlighted that maintenance of such supplies form part of the Critical Natural Infrastructure Brexit plan, and that thorough examinations of relevant supply chains had been carried out. Further emergency planning exercises would be held to consider potential issues. Ability by suppliers to provide fuel from both France and the UK would significantly help mitigate risk in event of D1ND.

### **Trade Opportunities**

9. Recent media reports of 40% rise in goods prices in event of D1ND was discussed, although the need for caution concerning claims regarding impacts of Brexit outcomes was highlighted in response. While this presents obvious challenges, it was also noted that there are potential opportunities, as increased import costs could help boost drive to “buy local” campaigns. Further, goods exports from Jersey could become more attractive for UK importers in this scenario given continued tariff-free flow of goods under the customs arrangement.

### **Fisheries/Aquaculture**

10. The issue of tariffs was identified as a major concern for the aquaculture industry, with 80% of produce sold in Europe (mostly France). Particular concern was raised regarding potential new tariffs of 10% for importing mussel seed, and 9% for oyster seed, as well as potential impact of import tariffs on bait for the capture fisheries sector, all of which are largely imported from France. This could lead to significantly increased costs. It was further noted that sales into Europe could also attract a tariff, rendering relevant exports less competitive.

# Brexit

## Agriculture, dairy, fisheries and aquaculture Industry Roundtable - Summary of Discussions



11. Other potential issues highlighted involved the likely future need for Jersey exports into France to go through Border Inspection Posts (BIPs), which, given the lack of these along the northern French coast, meant shipping into Le Havre. Some engagement with those involved in these supply chains regarding alternative arrangements has been undertaken, but greater efforts to secure this, and regular close engagement between government and industry were agreed as vital for the future.
12. Need for close engagement with the UK Department for Environment, Food and Rural Affairs (Defra) was discussed, and the need to pre-register for EU approval to be able to continue selling goods into Europe post exit day. Concerns were raised that while some local businesses had taken necessary steps, others may not be aware of the need to take this step.
13. Lastly, the new joint customs committee with the UK was identified as a forum to highlight concerns relating to the common external tariff, and that close engagement with industry was necessary for the government on this basis.

### **Labour**

14. There was strong agreement that it was vital for government to show it welcomed EU nationals seeking to come to the Island as seasonal workers post-Brexit. Indeed, it was highlighted that since the UK voted to leave, it has become harder to attract workers, particularly from some eastern European countries, which has led to upward pressure on wages for agricultural workers. Steps taken, including Home Affairs' granting of 130 licences for seasonal workers, were welcomed, but need for further engagement with EU Member States on this issue was suggested.

### **Conclusions and actions**

15. The need to hold a further meeting in order to discuss Jersey's future trade policy, and particularly how to engage with, seek input from and support relevant industry post-Brexit. Further assessment of supply chain issues to mitigate potential adverse effects of D1ND scenario would be discussed in future Industry Group meetings, and the government would also look at how the prioritisation of imports will work practically. Follow-up discussions with relevant sectors would then be held to continue discussions regarding such preparation.